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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. X No. 6
June 1986

Unemployment Rate

Seasonally Adjusted
April*

ARIZONA	6.5%
Maricopa Co.	5.1%
Pima Co.	5.6%
UNITED STATES	7.1%

Consumer Price Index

National-April
1967 - Base Year

Wage Earner/Clerical Worker -	320.4
% Chg. Yr. Ago	1.2
All Urban -	325.3
% Chg. Yr. Ago	1.6

Phoenix-1st Qtr. 1986
1977 - Base Year

All Urban -	191.6
% Chg. Yr. Ago	2.0

Tucson-1st Qtr. 1986
1st Qtr. 1983 - Base Qtr.

All Urban -	115.7
% Chg. Yr. Ago	2.2

* Preliminary

Labor Turnover Update

A New Source of Information

Arizona's labor turnover study provides new information about the labor market by analyzing the movement of wage and salary workers in and out of employment status with respect to an individual establishment during a quarter. These movements (or turnover) of workers are an important indication of the performance of the state economy. They offer new insight to labor market analysts, researchers, job training organizations, and anyone else who wants to keep track of the dynamics of the labor market.

The movement into employment status may occur as a result of new hires or rehires by individual establishments, and movement out of employment status could be the result of separations (quits or layoffs) from individual establishments. The Arizona labor turnover study, which has been completed recently by the Arizona Department of Economic Security (DES) Research Administration, counted these movements between 1982 and 1985. This article, however, makes an in-depth time-series and cross-sectional analysis of the movement of workers into and out of employment status in the manufacturing and service industries only.

The analysis is done with the aid of turnover indicators rather than actual number of workers moving into or out of a particular establishment. After making a comparison within and between two industries in terms of turnover rates, the article proceeds to discuss some of the implications of the turnover information. In doing so, the article also identifies the high and

Table of Contents

Labor Turnover Update
A New Source of Information 1
The Arizona Labor Force in April . . . 11
Arizona Labor Force Statistics 12
Permanent Mass Layoffs and Plant Closings. 16
1986 Occupational Employment Survey of Manufacturing and Hospital Industries 20
New Developments 21

Arizona Labor Market Information Newsletter
WINNER OF THE ICESA 1985 LMI PUBLICATION AWARD

Nancy Augustin, editor
Processed by RA Clerical Support Unit

low turnover industries based on new hire rates. Quarterly labor turnover data on movement of workers to different statuses are generated by computer manipulation of the Unemployment Insurance Base Period Wage (UIBPW) file and the Employer Name and Address (ENA) file. Both of these files are generated by the Arizona Department of Economic Security in cooperation with the U.S. Bureau of Labor Statistics (BLS). The UIBPW file contains records defining each employer-employee relationship during the past five quarters. Only employees covered by Unemployment Insurance (UI) during the past five quarters will have records on their file. Fortunately, more than 95 percent of Arizona workers are covered by the UI statutes, which makes the data base of labor turnover a near-perfect replica of the actual movement of laborers.

Wage information from the UIBPW file and name and address information from the ENA file are utilized to provide a number of different turnover measures. The various turnover measures are derived by comparing the social security numbers of employees working for a given employer in a given quarter with the social security numbers reported by the same employer in the past five quarters. Using this methodology, the following measures have been derived.

Beginning of Quarter Employment: Total count of employees who have received wages during the current quarter and the previous quarter from the same employer.

New Hires: Total number of employees who received wages from an employer during the current quarter, but received none from the same employer during any of the four previous quarters.

Rehires: Total number of employees who received wages from an employer during the current quarter, received no wages from that employer in the preceding quarter, but received wages from that employer in at least one of the other three previous quarters.

Accessions: Total number of employees receiving wages from an employer during the current quarter who received none from that employer in the immediately receding quarter (i.e, Accessions = New Hires + Rehires).

Separations: Total number of employees who received no wages from an employer during the current quarter, but received wages from the same employer in the preceding quarter.

The definition of new hire has an arbitrary cutoff point of four quarters that is used to determine if the employee is a new hire or a rehire. The longer the period used to define the new hire, the more costly the process of computing the series and the shorter the time-series available. For example, if wage records data are available for five years, and if a new hire is defined as "did not work for that employer in the previous 20 quarters," no new hire data will be defined until the 21st quarter's data becomes available. Even then, only one quarter of new hire data could be reported. Using too few quarters will result in overcounting of new hires who worked for the same employer previously. Going back four quarters has the advantage of eliminating as new hires seasonal workers who work for the same employer one season a year.

The wage records, however, do not distinguish between quits versus layoffs, and both of these are treated together as separations from an individual establishment.

The Arizona labor turnover study reveals that for each 100 jobs covered by unemployment insurance in the state, approximately 150 persons were hired during both 1984 and 1985. In 1985 alone, there were 1,463,247 accessions recorded against an average of 1,001,533 total wage and salary employment. To give an indication of the size and importance of various measures of turnover, a summary table (Table 1) was prepared recording the annual rates of accession and new hires to employment by major industrial categories. The ratio of accessions to employment per 100 positions in 1985 varied from a low of 35 in mining to a high of 259 in construction and 175 in trade. The rapidly declining mining ratio since 1982 was caused by the declining trend in this industry due to depressed demand in metal markets. The exceptionally high ratio in construction in any year results largely from seasonality and the project basis of work assignments. The relatively high ratio in trade is influenced by the low wage level characteristic of employees in that industry.

Table 1 also suggests an enormous number of new hires every year--almost as great as the number of employed workers. However,

Table 1

Arizona
Annual Accession and New Hire Rates
By Industry, 1982-1985

		Annual Accession Rate Per 100 Employment	Annual New Hire Rate Per 100 Employment
Mining	1982	108.3	59.2
	1983	78.4	46.7
	1984	43.3	35.2
	1985	34.9	29.9
Construction	1982	200.3	178.0
	1983	254.4	231.6
	1984	244.7	223.5
	1985	259.4	235.6
Manufacturing	1982	61.1	47.3
	1983	79.0	65.6
	1984	94.7	79.5
	1985	94.0	73.2
TCPU*	1982	55.6	44.7
	1983	68.6	59.6
	1984	96.7	87.7
	1985	78.2	64.8
Trade	1982	138.6	120.9
	1983	153.6	139.0
	1984	179.3	163.9
	1985	174.5	156.6
FIRE**	1982	66.9	57.4
	1983	92.0	76.7
	1984	89.9	76.8
	1985	99.7	84.2

Table 1 - Continued

		Annual Accession Rate Per 100 Employment	Annual New Hire Rate Per 100 Employment
Services	1982	120.8	99.9
	1983	134.7	114.3
	1984	161.0	129.1
	1985	154.7	131.9
Public Administration	1982	63.5	48.8
	1983	71.5	45.3
	1984	45.6	40.0
	1985	68.8	50.0

* TCPU = Transportation, Communications, and Public Utilities
** FIRE = Finance, Insurance, and Real Estate

SOURCE: Arizona Department of Economic Security, Research Administration.

few industries account for more than a proportionate share of these new hires. The new hire rate ranges from 29.9 percent in mining to 235.6 percent in construction. The construction rate implies that there were 135.6 percent more new hires during 1985 than the construction employment level at the beginning of 1985.

The difference in new hire rates across industries can be explained by differences in average firm size. It is expected that the greater the firm size, the lower the new hire rate, since large firms tend to have lower turnover (i.e., they are probably more apt to smooth their employment over the business cycle). In addition, the larger the percentage of employment in high turnover nonmanufacturing industries, the higher the overall new hire rate. On the other hand, new hire rates across counties can be explained by differences in county-wide unemployment rates.

To get a more detailed picture of the industries with high and low turnover, Table 2 presents some of the extremes in 1985. The high turnover industries are mainly agriculture, construction, services, and retail trade. The low turnover industries are largely the mining, utilities, banking, and high technology manufacturing industries. The highest turnover industries are consistently high in each quarter of 1985 and before. The low turnover industries are also consistently low in every quarter of turnover data.

However, it would be wrong to assert that all the manufacturing industries are low turnover industries. To show this, the manufacturing industries are broken down by two-digit Standard Industrial Classification (SIC) codes. Quarterly new hire rates of these two-digit SICs are then compared with the average industry rate. Table 3 shows that transportation equipment (SIC 37) and electrical and electronic machinery and supply (SIC 36) post a lower new hire rate than the overall manufacturing rate. On the other hand, the furniture and fixtures (SIC 25) industry records a relatively high turnover rate compared to the average. The high turnover in this industry is caused, in large part, by the high new hire rate in construction.

Similarly, it would be wrong to assume that all the service industries are high turnover industries. By breaking the service industry into two-digit SIC codes, the quarterly new hire data reveal that health services (SIC 80) has a relatively lower turnover rate than the average. (See Table 4.) But interestingly enough, health services has a greater than average turnover

Table 2

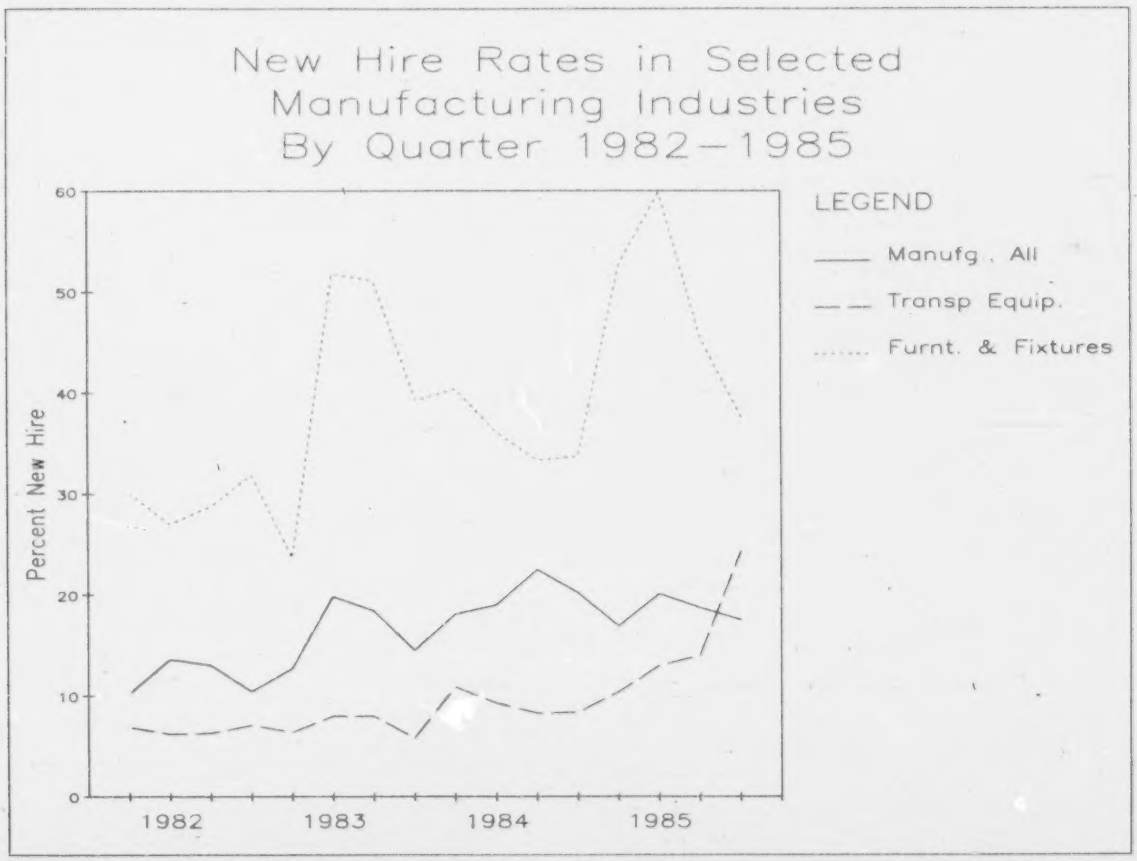
Arizona
Accession and New Hire Rates in 1985
By Two-Digit Industry (High and Low Turnover)
Industries with Employment Greater Than 1,000

Industry	New Hire Rate Per 100 Employees	Accession Rate Per 100 Employees
Low Turnover		
Metal Mining	22.83	27.93
Electric, gas, and sanitary services	29.78	44.41
Electrical and electronic machinery, equipment, and supplies	33.23	42.05
Banking	34.57	41.32
Communications	39.08	45.42
Educational services	47.47	64.87
Measuring, analyzing, and controlling instruments	53.82	132.84
Machinery, except electrical	57.17	88.43
Security and commodity brokers, dealers, exchangers, and services	60.61	71.51
Chemicals and allied products	61.69	68.54
Transportation equipment	62.15	120.01
Insurance	63.87	74.66
Primary metal industries	67.27	91.26
Transportation by air	74.46	82.22
Legal services	78.06	101.39
High Turnover		
Building materials, hardware, garden supply, and mobile home dealers	136.33	150.90
Miscellaneous retail	137.28	153.59
Furniture, home furnishings, and equipment stores	138.05	154.40
Social services	141.47	162.45
Food and kindred products (manufacturing)	143.22	184.22
Lumber and wood products, except furniture	146.54	163.21
Automotive dealers and gasoline stations	151.11	164.03
Personal services	156.52	181.35
Real estate	158.45	182.88
General merchandise stores	158.72	190.07
Apparel and accessory stores	163.27	177.74
Automotive repair, services, and garages	173.14	188.47
Amusement and recreation services, except motion pictures	180.00	229.73

Table 2 - Continued

Industry	New Hire Rate Per 100 Employees	Accession Rate Per 100 Employees
Hotels, rooming houses, camps, and other lodging places	193.06	214.98
Furniture and fixtures (manufacturing)	195.90	227.00
Construction other than building construction--general contractors	207.05	228.58
Motion pictures	229.64	260.23
Building construction--general contractors and operative builders	233.66	255.89
Construction--special trade contractors	243.91	269.59
Eating and drinking places	249.50	272.11

Source: Arizona Department of Economic Security, Research Administration.



rate than the overall manufacturing industry. All these data point out that turnover rates are definitely industry-specific. The further we break down the industry, the better and more accurate the information we get about that industry.

The facts about hiring patterns in Arizona revealed by the turnover data have an impact upon a variety of areas:

1. New hire data indicate the pattern of hiring by industry and area.

2. New hire data can be used as a factor in allocating federal funds for Job Service activities.

3. New hire data can be used by job developers to determine the firms with the greatest potential for applicant hiring. Seasonal patterns and trends derived from Employment Service Potential (ESP) data can help Job Training Partnership Act (JTPA) and Establishment Survey (ES-202) development efforts.

4. A possibly important future use of turnover data would be to estimate occupational employment opportunities by a method different from the current estimation process used by the Occupational Employment Statistics (OES) program.

5. To the extent that occupational information can be incorporated into ESP measures, training programs can be designed based on information on hiring patterns.

6. The data can provide internal management information for U.S. Department of Labor programs. It can help with local office location decisions, setting placement goals, measuring performance, and validating placement information.

7. A number of economic hypotheses can be tested with this body of data pertaining to such theories as primary and secondary labor markets, the relationship between low wages and turnover, and turnover over the business cycle.

Table 3

Arizona
New Hire Factor in Selected
Manufacturing Industries
By Quarter, 1982-1985

	Manufacturing All	Transportation Equipment SIC 37	Electrical & Electronic Machinery & Supply SIC 36	Furniture & Fixtures SIC 25
1982 Q1	10.2	6.9	3.8	30.1
Q2	13.6	6.2	8.2	27.0
Q3	13.0	6.3	7.9	28.8
Q4	10.4	7.1	3.9	31.9
1983 Q1	12.7	6.4	6.7	23.6
Q2	19.8	8.0	12.5	51.6
Q3	18.4	8.0	12.6	51.1
Q4	14.5	5.8	11.3	39.3
1984 Q1	18.1	10.9	13.7	40.4
Q2	19.0	9.3	13.8	36.1
Q3	22.5	8.3	16.9	33.3
Q4	20.2	8.4	10.8	33.7
1985 Q1	16.9	10.4	9.8	52.8
Q2	20.1	13.0	8.3	59.8
Q3	18.7	14.0	8.0	45.5
Q4	17.5	24.3	7.0	37.6

SOURCE: Arizona Department of Economic Security, Research Administration.

As outlined in Number 4, one important use of turnover data would be to estimate occupational employment opportunities differently than the current OES estimation process. Under the current program, total job openings represent the number of openings due to growth of the industry and separations from the labor force. They do not account for labor turnover (i.e., openings created when a worker changes jobs, leaving the job to be filled by someone else). These vacancies are often the largest source of job openings. Job opportunities, however, vary among industrial divisions, which largely depend on turnover rates. It is also important to note that, within an industry, job opportunities are unique to a particular occupation. Unfortunately, the technique to estimate occupational-specific turnover has yet to be developed. In this study, industry turnover rates are used which are applied equally to all occupations within that industry. Secondly, the average new hire rates for a particular industry in 1985 are assumed to be realized in 1986-87.

Estimated job opportunities based on turnover data for transportation equipment (SIC 37)--a high technology industry--are projected for 1986-87 and then compared with the job opportunities based on industry growth and separations from the labor force. This particular industry has often been determined a low turnover industry, as the new hire and accession rates are consistently at very low levels. Even so, the total job opportunities in 1986-87 resulting from turnover and growth and separations are estimated to be greater than the job opportunities based only on growth and labor force separations. Table 5 lists the estimates of 22 occupations with the largest employment opportunities from growth, separations, and turnover.

Thus, wage records constitute a vast resource of labor market information. Arizona labor turnover data are tabulated by industry, by county, and by state. Based on preliminary examination of the wage records data, the potential of these data appears to be great. The DES Research Administra-

tion has recently completed a project on turnover using data from 1982-1984. We are interested in receiving user comments on these turnover studies. Please write to the address on the back of this Newsletter or call (602) 255-3871.

Jalal Ahmad

SOURCES: "Arizona Labor Turnover: A Significant Reality," A Labor Market Information Publication of the Arizona Department of Economic Security, March 1986.

"ESP: A New Source of Labor Market Information," by Malcolm S. Cohen, Co-Director of Research, Institute of Labor and Industrial Relations, University of Michigan and Wayne State University, October 1978.

Table 4

Arizona
New Hire Factor In
Selected Service Industries
By Quarter, 1982-1985

		Services All	Hotels SIC 70	Personal Services SIC 72	Business Services SIC 73	Health SIC 80
1982	Q1	25.1	42.4	38.0	50.8	18.2
	Q2	23.8	32.7	31.8	60.3	16.3
	Q3	27.2	33.0	37.6	58.7	15.5
	Q4	25.2	42.7	37.7	50.6	18.4
1983	Q1	25.3	40.4	43.5	54.8	20.9
	Q2	31.0	35.5	39.0	67.6	17.4
	Q3	30.7	35.8	38.4	66.7	17.1
	Q4	27.3	44.7	40.3	56.3	18.3
1984	Q1	34.3	55.4	44.6	80.7	25.0
	Q2	36.1	40.3	40.4	68.9	17.3
	Q3	29.4	46.3	42.6	60.1	15.6
	Q4	29.9	46.5	42.8	66.8	15.9
1985	Q1	34.6	50.8	40.5	65.9	23.7
	Q2	31.4	52.6	38.9	71.8	17.7
	Q3	33.2	42.5	37.4	71.6	20.7
	Q4	32.7	47.2	39.8	68.4	21.7

SOURCE: Arizona Department of Economic Security, Research Administration.

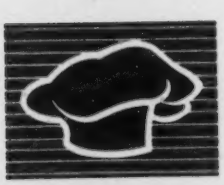
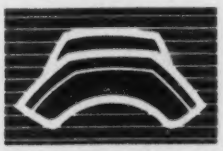
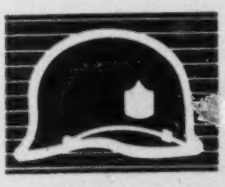




Table 5

Arizona
1986-87 Estimates of 22 Occupations with Largest Employment Opportunities from Labor Turnover in SIC 37

Occupation	Estimated 1986 Employment	Job Opportunities --Growth and Separations	Job Opportunities Based on Turnover	Total Job Opportunities
Aeronautical and astronautical engineers	1,375	123	90	213
All other managers and administrators	1,142	161	16	177
Industrial engineers excluding safety	1,125	130	44	174
Electrical and electronic engineers	1,115	149	24	173
Mechanical engineers	1,027	111	48	159
Machine tool cutting operators/ tenders--metal and plastic	986	87	66	153
First line managers/supervisors-- production and operations	921	96	47	143
Machinists	797	96	28	124
Precision inspectors, testers, and graders	793	81	42	123
Production inspectors, testers, and graders	661	77	25	102
Secretaries	646	91	9	100
All other engineers and related technicians	643	67	33	100
Electrical and electronic assemblers	580	81	9	90
Production planning and expediting clerks	566	57	31	88
Machine builders and assemblers	529	80	2	82
General office clerks	547	43	42	85
Mechanical engineering technicians	503	70	8	78
Electromechanical equipment assemblers-precision	483	70	5	75
General managers and top executives	468	47	26	73
All other management support workers	389	47	13	60
Purchasing agents, excluding wholesale/ retail/farm	373	43	15	58
Assemblers/fabricators--excluding machinery, electronic, and precision	363	37	19	56

SOURCE: Arizona Department of Economic Security, Research Administration.

Arizona Unemployment Insurance Activities - March 1986

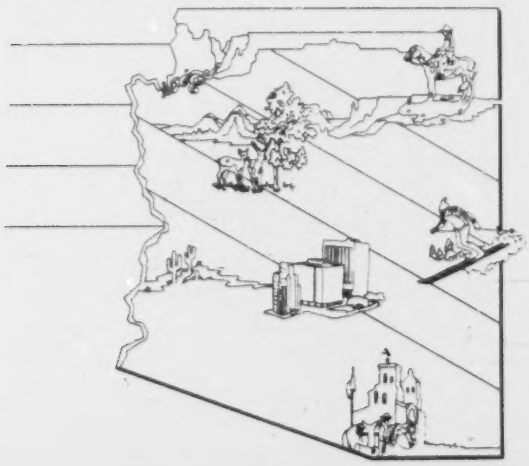
	March 1986	February 1986	March 1985	% Change From One Year Ago
Arizona Claimants Served*	30,409	28,442	28,698	+ 6.0%
Arizona Average Weeks Unemployed**	8.7	8.8	8.7	0.0%
Arizona Benefits Paid*	$ 9,979,272	$ 9,087,413	$ 9,284,576	+ 7.5%
Arizona Trust Fund Balance	$332,103,583	$338,877,174	$245,896,002	+35.1%

*All Programs **UI Only

The Arizona Labor Force in April

For the fourth consecutive month, Arizona's unemployment rate was unchanged at 6.5 percent. But that apparent stability masks changes that local economies are undergoing. In Maricopa County and in nine rural counties, the unemployment rate fell; while in Pima County and three rural counties, the unemployment rate rose. While the state unemployment rate of 6.5 percent is clearly below the national average of 7.1 percent, internal changes are also at work nationally. A little over a year ago, only four or five other states had lower unemployment rates than Arizona. Today this distinction is shared by 17 states. Clearly the changing composition of the national economy has had an impact on Arizona, and in the months ahead those forces will become more apparent.

Two areas of expected strength for our economy in the months ahead are tourism and construction. For the state's northern



counties, the expectation that summer tourism activity will be particularly strong is encouraging. Lower gasoline prices and concern over travel outside the United States is expected to boost local activity. Combined with an expected increase in foreign tourism that is the result of a falling dollar, tourism should help the state to record very good economic activity in the months ahead.

And in construction, lower interest rates are causing employment to rebound. After suffering declining employment levels for eight months, the recovery which began modestly last month is apparently gaining strength. A total of 2,300 jobs were added in construction during April as residential and road building activity quickened. Most of that gain was in Maricopa County, but excellent prospects for growth were evident throughout the state. Employment gains would actually be greater if it were not for offsetting losses in commercial and multi-family housing. But those losses are expected to continue, thus keeping employment growth moderate.

Along with those areas of strength, Arizona continues to be plagued by job losses in manufacturing and mining. Many people felt that at the beginning of this year, copper mining employment had fallen to 9,000 and would likely remain stable. But in a matter of only four months, employment has fallen nearly 10 percent and further losses are expected. In December 1974, employment in this industry reached its peak at 25,200. Now fewer than four out of every 10 jobs remain.

The situation in manufacturing, though not as bleak, remains discouraging. Job gains that were recorded in March were nearly completely lost in April. Electronics employment is down nearly 10 percent from its peak in late 1984. The employment gains of aerospace companies are clearly slowing and will not likely offset continued losses in electronics manufacturing. Notwithstanding the weak conditions in copper mining, the weakness being experienced by the state's electronics firms is the darkest cloud over our economy.

The economy, while growing sufficiently to create jobs for our expanding population, is not creating enough to cause unemployment to fall. The pressures to push unemployment upward appear to be greater than those causing it to fall. But the balance is such that increases in the foreseeable future should be small. The economy is marking time in anticipation of a change. At this point the question is whether the change will be upward or downward.

Dan Anderson

April 1986 (in thousands)

	ARIZONA				
				-- Amt Change --	
	Apr.* 1986	Mar. 1986	Apr. 1985	Mar. to Apr.	1985 to 1986
TOTAL CIVILIAN LABOR FORCE**	1571.7	1551.2	1472.6	+20.5	+99.1
Total Unemployment	99.9	99.4	95.0	+0.5	+4.9
Rate	6.4	6.4	6.5	---	---
Rate (Sea. Adj.)***	6.5	6.5	6.6	---	---
Total Employment	1471.8	1451.8	1377.6	+20.0	+94.2

The Above Labor Force Statistics Should Not B

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1343.3	1335.0	1278.7	+8.3	+64.6
Manufacturing	181.2	181.5	179.5	-0.3	+1.7
Durable Goods	142.8	142.8	142.6	+0.0	+0.2
Stone, Clay and Glass	7.9	7.9	8.0	+0.0	-0.1
Primary and Fabricated Metals	16.3	16.3	17.2	+0.0	-0.9
Primary Metals	7.9	7.9	7.7	+0.0	+0.2
Fabricated Metals	8.4	8.4	9.5	+0.0	-1.1
Machinery	64.2	64.5	69.7	-0.3	-5.5
Other Durable Goods	54.4	54.1	47.7	+0.3	+6.7
Aircraft and Missiles	26.3	26.2	21.1	+0.1	+5.2
Lumber and Wood Products (Except Furniture)	7.5	7.4	7.1	+0.1	+0.4
All Other Durable Goods	20.6	20.5	19.5	+0.1	+1.1
Nondurable Goods	38.4	38.7	36.9	-0.3	+1.5
Food and Kindred Products	8.8	8.9	8.0	-0.1	+0.8
Apparel	4.7	4.8	4.6	-0.1	+0.1
Printing and Publishing	14.8	14.8	14.1	+0.0	+0.7
All Other Nondurable Goods	10.1	10.2	10.2	-0.1	-0.1
Mining and Quarrying	10.7	11.2	12.1	-0.5	-1.4
Copper Mining	8.2	8.7	9.5	-0.5	-1.3
Other Mining and Quarrying	2.5	2.5	2.6	+0.0	-0.1
Construction	112.9	110.6	109.7	+2.3	+3.2
Trans., Communications, and Public Utilities	64.5	63.9	62.5	+0.6	+2.0
Transportation	28.9	28.7	28.9	+0.2	+0.0
Communications and Public Utilities	35.6	35.2	33.6	+0.4	+2.0
Trade	334.4	332.0	311.5	+2.4	+22.9
Wholesale Trade	65.5	65.1	63.1	+0.4	+2.4
Retail Trade	268.9	266.9	248.4	+2.0	+20.5
General Merchandise and Apparel	40.4	40.1	39.0	+0.3	+1.4
Food Stores	40.4	40.2	36.9	+0.2	+3.5
Automotive and Service Stations	32.3	32.0	30.0	+0.3	+2.3
Eating and Drinking Places	100.0	98.9	90.4	+1.1	+9.6
Other Retail Trade	55.8	55.7	52.1	+0.1	+3.7
Finance, Insurance, and Real Estate	88.9	88.1	79.1	+0.8	+9.8
Services and Miscellaneous	319.9	316.2	298.9	+3.7	+21.0
Hotels and Other Lodging Places	32.6	32.6	30.6	+0.0	+2.0
Business Services	72.2	71.4	66.1	+0.8	+6.1
Health Services	77.8	77.7	73.6	+0.1	+4.2
Other Services	137.3	134.5	128.6	+2.8	+8.7
Government	230.8	231.5	225.4	-0.7	+5.4
Federal	41.0	40.9	41.2	+0.1	-0.2
State and Local	189.8	190.6	184.2	-0.8	+5.6
School	113.8	114.2	112.9	-0.4	+0.9

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

April 1986 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			-- Amt Change --					-- Amt Change --	
Apr.* 1986	Mar. 1986	Apr. 1985	Mar. to Apr.	1985 to 1986	Apr.* 1986	Mar. 1986	Apr. 1985	Mar. to Apr.	1985 to 1986
975.5	964.8	908.2	+10.7	+67.3	310.0	305.9	292.0	+4.1	+18.0
48.7	50.6	46.1	-1.9	+2.6	16.8	16.1	16.4	+0.7	+0.4
5.0	5.2	5.1	---	---	5.4	5.3	5.6	---	---
5.1	5.3	5.2	---	---	5.6	5.3	5.8	---	---
926.8	914.2	862.1	+12.6	+64.7	293.2	289.8	275.6	+3.4	+17.6

Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

884.9	879.7	839.4	+5.2	+45.5	245.6	244.7	233.3	+0.9	+12.3
128.8	128.8	130.3	+0.0	-1.5	32.8	33.1	30.9	-0.3	+1.9
102.8	102.6	104.7	+0.2	-1.9	27.6	27.8	26.0	-0.2	+1.6
4.9	4.8	4.8	+0.1	+0.1					
10.6	10.7	11.4	-0.1	-0.8					
50.4	50.6	55.7	-0.2	-5.3					
36.9	36.5	32.8	+0.4	+4.1					
26.0	26.2	25.6	-0.2	+0.4	5.2	5.3	4.9	-0.1	+0.3
5.5	5.6	5.4	-0.1	+0.1					
2.9	2.9	2.9	+0.0	+0.0					
10.7	10.7	10.3	+0.0	+0.4					
6.9	7.0	7.0	-0.1	-0.1					
0.6	0.6	0.6	+0.0	+0.0	1.6	2.1	2.4	-0.5	-0.8
78.6	76.8	77.1	+1.8	+1.5	22.0	21.7	20.8	+0.3	+1.2
42.2	42.0	40.5	+0.2	+1.7	9.4	9.2	9.4	+0.2	+0.0
19.7	19.6	19.5	+0.1	+0.2	4.5	4.4	4.4	+0.1	+0.1
22.5	22.4	21.0	+0.1	+1.5	4.9	4.8	5.0	+0.1	-0.1
230.3	228.8	212.7	+1.5	+17.6	55.0	54.6	51.3	+0.4	+3.7
52.4	52.0	50.0	+0.4	+2.4	7.6	7.5	7.2	+0.1	+0.4
177.9	176.8	162.7	+1.1	+15.2	47.4	47.1	44.1	+0.3	+3.3
26.3	25.9	25.0	+0.4	+1.3	7.0	7.1	7.2	-0.1	-0.2
25.8	26.0	23.6	-0.2	+2.2	6.9	6.7	6.0	+0.2	+0.9
20.6	20.5	19.1	+0.1	+1.5	5.6	5.5	5.0	+0.1	+0.6
66.4	65.8	59.1	+0.6	+7.3	18.4	18.1	16.6	+0.3	+1.8
38.8	38.6	35.9	+0.2	+2.9	9.5	9.7	9.3	-0.2	+0.2
69.8	69.2	61.8	+0.6	+8.0	12.6	12.6	11.4	+0.2	+1.4
218.0	216.3	203.0	+1.7	+15.0	59.8	59.5	55.4	+0.3	+4.4
18.7	19.0	18.0	-0.3	+0.7	5.8	6.0	4.9	-0.2	+0.9
59.0	58.4	54.3	+0.6	+4.7	10.5	10.4	9.2	+0.1	+1.3
52.3	52.2	48.9	+0.1	+3.4	16.1	16.1	15.6	+0.0	+0.5
88.0	86.7	81.8	+1.3	+6.2	27.4	27.0	25.7	+0.4	+1.7
116.6	117.2	113.4	-0.6	+3.2	52.2	51.9	51.7	+0.3	+0.5

-- Prepared by Labor Market Information, Research and Analysis (CPS, 1/86)

Nonmetropolitan Counties
Labor Force and Employment
April 1986

	Apache	Cochise	Coconino	Gila	Graham	Green-lee	La Paz
TOTAL CIVILIAN LABOR FORCE*.	15,200	35,625	39,425	12,425	7,950	2,975	4,625
Total Unemployment	2,525	2,875	3,400	1,900	875	300	725
Rate	16.6%	8.1%	8.6%	15.3%	11.0%	10.1%	15.7%
Rate (Seas. Adj.)**. . . .	18.0%	8.3%	8.9%	15.4%	11.0%	9.7%	-INA-
Total Employment	12,675	32,750	36,025	10,525	7,075	2,675	3,900
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY. . . .	14,600	24,700	35,325	9,850	4,775	2,775	2,675
Manufacturing.	725	2,100	2,775	1,300	175	0	100
Mining and Quarrying	25	125	25	1,225	0	1,675	0
Construction	925	1,275	1,550	425	125	125	125
Trans., Comm., & Pub. Util..	1,675	1,675	2,950	400	150	50	50
Trade.	1,450	5,350	7,925	1,875	1,250	275	875
Fin., Insur., & Real Estate.	275	700	775	275	125	25	100
Services and Miscellaneous .	4,325	3,750	8,500	1,850	850	75	650
Government	5,200	9,725	10,725	2,500	2,100	550	775

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL CIVILIAN LABOR FORCE*.	27,375	25,875	34,850	9,000	32,775	38,175
Total Unemployment	2,675	3,425	4,125	925	2,300	8,450
Rate	9.8%	13.2%	11.8%	10.3%	7.0%	22.1%
Rate (Seas. Adj.)**. . . .	9.9%	14.0%	12.1%	12.5%	6.9%	-INA-
Total Employment	24,700	22,450	30,725	8,075	30,475	29,725
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY. . . .	18,425	19,450	26,375	8,275	21,600	23,925
Manufacturing.	2,375	1,775	3,150	1,100	2,225	1,725
Mining and Quarrying	275	1,100	3,400	0	575	50
Construction	1,300	1,025	1,375	350	2,050	1,575
Trans., Comm., & Pub. Util..	1,075	1,525	900	500	950	925
Trade.	5,175	3,675	4,925	3,375	5,425	7,475
Fin., Insur., & Real Estate.	925	350	700	250	925	925
Services and Miscellaneous .	3,850	5,250	2,900	1,200	4,550	4,375
Government	3,450	4,750	9,025	1,500	4,300	6,875

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs April 1986

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,571,676	1,471,760	99,916	6.4%
Apache	15,189	12,672	2,517	16.6
Cochise	35,625	32,760	2,865	8.0
Coconino	39,417	36,026	3,391	8.6
Gila	12,403	10,514	1,889	15.2
Graham	7,349	7,073	870	10.9
Greenlee	2,974	2,684	290	9.8
La Paz	4,624	3,909	715	15.5
Maricopa	975,468	926,814	48,654	5.0
Mohave	27,368	24,696	2,672	9.8
Navajo	25,880	22,443	3,431	13.3
Pima	309,379	293,168	16,811	5.4
Pinal	34,830	30,716	4,114	11.8
Santa Cruz	9,004	8,068	936	10.4
Yavapai	32,794	30,484	2,310	7.0
Yuma	38,174	29,721	8,455	22.1

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Estimated Hours and Earnings of Production Workers in Selected Industries in Arizona April 1986

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVG. HOURLY EARNINGS		
	APR.* 1986	MAR. 1986	APR. 1985	APR.* 1986	MAR. 1986	APR. 1985	APR.* 1986	MAR. 1986	APR. 1985
FOR THE STATE OF ARIZONA*									
Manufacturing	402.94	393.16	384.74	41.2	40.7	40.8	9.78	9.66	9.43
Aircraft & Missiles	INA	INA	INA	INA	INA	INA	INA	INA	INA
Food & Kindred Products	385.29	383.80	362.08	42.2	41.9	42.9	9.13	9.16	8.44
Primary Metals	510.37	519.16	510.72	38.9	39.6	39.9	13.12	13.11	12.80
Machinery	362.87	348.16	332.28	39.4	38.9	39.0	9.21	8.95	8.52
Copper Mining	576.28	572.00	589.24	40.9	41.3	42.3	14.09	13.85	13.93
Construction	461.45	414.49	437.41	37.7	33.4	37.1	12.24	12.41	11.79
Utilities	661.48	588.56	570.26	44.5	43.5	43.9	14.64	13.53	12.99
Retail Trade**	239.91	239.57	233.31	33.0	33.6	33.0	7.27	7.13	7.07
Wholesale Trade	378.07	377.78	366.83	39.3	39.6	39.7	9.62	9.54	9.24

* Preliminary

** Excludes eating and drinking places.

NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

--Prepared by Labor Market Information, Research and Analysis (1972 SIC, 1/86)

Permanent Mass Layoffs and Plant Closings

The Research Administration of the Arizona Department of Economic Security has contracted with the Bureau of Labor Statistics (BLS), U.S. Department of Labor, to collect data on mass layoffs in Arizona. The program is known as Permanent Mass Layoffs and Plant Closings (PMLPC) and has been in existence since 1985. The program was developed in response to the large number of layoffs that have occurred as a result of import competition, the 1982 recession, and the relocation of facilities within the U.S. and overseas. It is hoped that this information can be used to identify dislocated workers and develop programs to retrain them for the types of jobs that will be available in the future. The program consists of three main sections: 1) the identification of PMLPC employers and those persons separated from the firm, 2) the identification of continued claimants, and 3) the identification of claimmants who exhaust their benefits.

Identification of PMLPC Employers

Identifying a mass layoff would appear to be rather simple. One occasionally sees reports in the media of firms announcing major staff reductions. It would seem that it would be a rather simple matter to go out and count the number of people laid off. In reality, however, the number of people filing claims for Unemployment Insurance (UI) and the announced intentions of a firm can vary substantially. Also, many firms never announce staff reductions to the public. So how do you determine when a mass layoff has occurred? BLS decided that the best method of determining a mass layoff was by using UI records.

The second issue involved in determining if a mass layoff has occurred is what is the definition of "mass." This issue is probbably the most frequently discussed among the states that are participating in the PMLPC program. Several alternatives suggest themselves: 1) any firm that has x number or more claims filed against them in a certain time period, 2) a certain percentage of a firm's workforce that files a claim, or 3) a combination of options 1 and 2. BLS decided that a mass layoff occurred if 50 or more valid initial UI claims were filed against a firm in a three-week period. Some states have been unhappy with this definition, and since the program is in its infancy, the criteria might change over time. The biggest problem encountered with this definition is handling large firms. For example, if XYZ Corporation employs 10,000 people, it may be extremely easy for it to meet the PMLPC criteria. For this reason, the analyst in charge of the program can drop employers from the program if the claimant activity is viewed as insignificant for the size of the employer.

Once a firm is identifed as a PMLPC employer, the UI records of the people filing claims against them are written to a separate computer file. This file contains such information as date of claim, race, sex, address, age, and occupation. These data will hopefully provide insights as to how to design retraining programs, where these programs might be needed, and what kinds of skills these people currently possess versus what they might need.

Secondly, after a PMLPC firm is identifed, an effort is made to contact the firm in order to determine the exact size of the layoff, the date of the layoff, why the layoff occurred, and if any recall date has been determined. On the whole, employer response has been favorable.

Employers were contacted by telephone as soon as possible after being identified as PMLPC employers. Initially, we attempted to obtain information for an entire quarter. However, we soon learned that employers resisted searching their records for such a long time period. Furthermore, recalling data from as long ago as four months sometimes proved difficult. These problems were resolved by switching to a monthly format.

Most firms were cooperative when contacted, although a few were initially skeptical when questioned about layoffs. Two firms who decided not to participate in the be-

ginning have since become quite willing to provide us with information. The excellent participation and cooperation we have received from employers has been and will be an important factor in determining the success of the PMLPC program.

Identification of Continued Claimants

Another purpose of the program is to identify the duration of unemployment experienced by people involved in mass layoffs. For this reason, the number of people continuously separated from the PMLPC firm who filed a claim for the week containing the 12th of the month is recorded. This week was selected because it is also the reference week for other BLS programs. The claimant's county of residence is also recorded, further enabling the identification of depressed geographic areas. A count is also made of the continued claimants who had no earnings due to employment.

Identification of Exhaustees

The final section of the program is the identification of people who exhaust their UI benefits. This provides further insights into unemployment duration and the kinds of people who might need retraining. High exhaustion rates can be an indication of the lack of availability of work, although there are numerous reasons why people exhaust UI benefits.

Examination of the Data

This section will provide a brief overview of some of the data gathered in 1985. Time and space limitations do not permit a detailed examination at this time. However, further data will be released as it becomes available..

In 1985, there were 20,248 PMLPC initial claimants from 86 firms in Arizona. Of these firms, the vast majority are still operating in the state. Employer contacts revealed that many of the layoffs were the result of seasonal fluctations or temporary closures. These findings would tend to provide support for a more restrictive definition of a mass layoff.

Chart 1 displays the distribution of claimants by industry. Clearly, manufacturing was the largest source of PMLPC layoffs, followed by agriculture and construction. The agriculture industry is a prime example of the difficulties involved in separating seasonal layoffs from permanant layoffs. Virtually all layoffs in agriculture occurred in the first quarter--i.e, the end of the harvest season in southern Arizona. This finding is further supported by Chart 2, which shows Yuma County as the second largest source of PMLPC initial claimants.

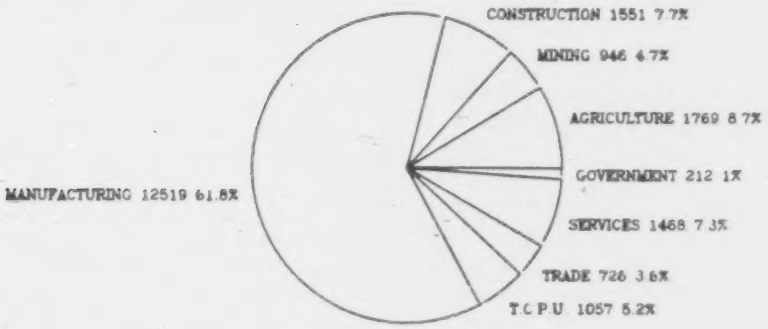
The agricultural industry provides probably the most interesting results in the preliminary analysis of last year's data. In examing Chart 1, we see that agriculture accounted for 8.7 percent of initial claims. Yet 16.5 percent of continued claims and 28.2 percent of exhaustees were in agriculture. This indicates that agricultural workers have a hard time finding employment. This could be due to several factors such as lack of skills, lack of job opportunities, or lack of job search. This result is also supported by the data in Table 1. Agriculture has both the highest continued claim rate and exhaustion rate.

As mentioned above, manufacturing had the largest number of initial claims. However, many of these layoffs proved to be extremely short. This point is illustrated by the industry's continued claims rate and exhaustion rate, both of which are the lowest of any industry. Note that the continued claims rate is below one, which means that some initial claimants never filed a continued claim.

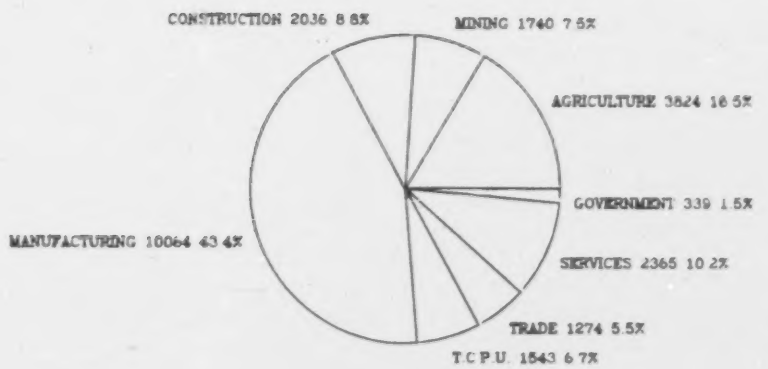
Another point of interest is the high continued claims rate for the mining industry. It would appear that workers laid off from this industry found it relatively more difficult to find a job than did claimants from other industries, with the exception of agricultural workers. This is a good example of the type of information the program was designed to gather, i.e., identifying potentially dislocated workers.

A close examination of Chart 1 reveals one other interesting fact. Note the absence of any claimants from the finance, insur-

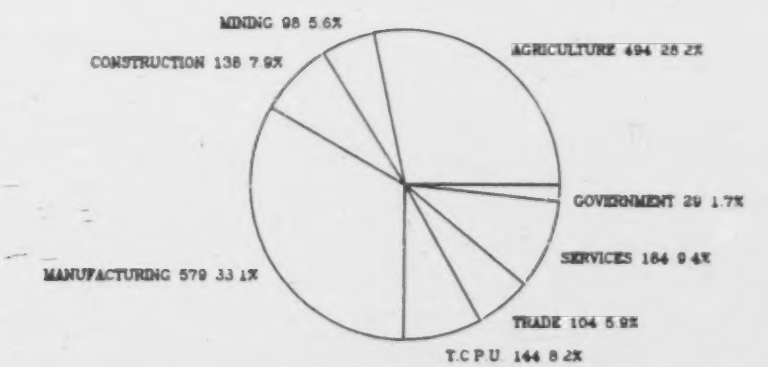
CHART 1
PMLPC CLAIMANTS IN ARIZONA, 1985
BY INDUSTRY



INITIAL CLAIMS

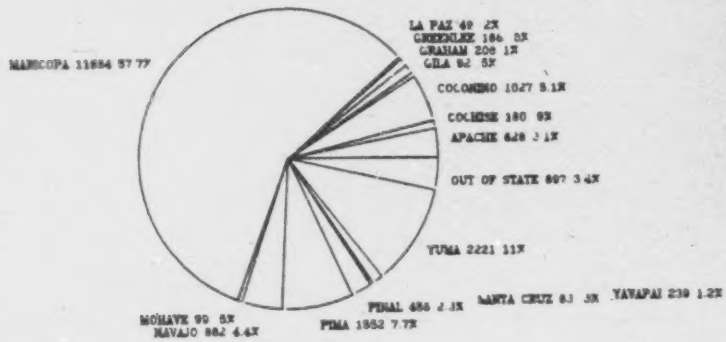


CONTINUED CLAIMS

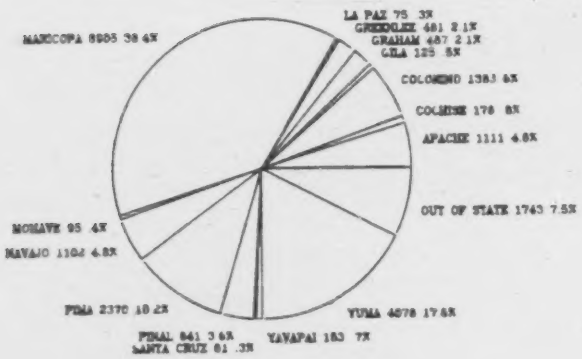


EXHAUSTEES

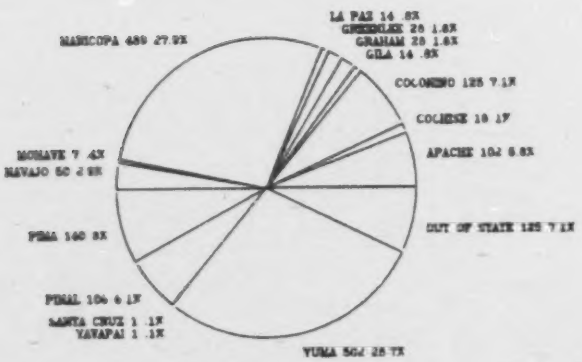
CHART 2
PMLPC CLAIMANTS IN ARIZONA, 1985
BY COUNTY



INITIAL CLAIMS



CONTINUED CLAIMS



EXHAUSTEES

Table 1

	Continued Claim Rate*	Exhaustion Rate**
Agriculture	2.162	.279
Mining	1.839	.104
Construction	1.313	.089
Manufacturing	0.804	.046
TCPU	1.460	.136
Trade	1.755	.143
Services	1.611	.112
Government	1.599	.137

* Continued claims divided by initial claims
** Exhaustees divided by initial claims

ance, and real estate industry. This could be the result of several factors such as the tremendous employment growth that occurred in the industry in 1985 (11.8 percent), and the relatively small number of firms that employ over 50 people and would therefore be able to qualify as a PMLPC employer.

Summary

The initial examination of some of the data gathered by the PMLPC program has provided some insights into mass layoffs. Clearly the program is in its infancy, and it will take several years of data in order to draw more exact conclusions about the nature of mass layoffs and the behavior of PMLPC claimants. Also, since the program is so new, it will take time to iron out problems and implement improvements. In the long run, the program has the potential to provide a wealth of information for policy makers, vocational educators, and academics.

David Sinclair
Aggie Toombs

1986 Occupational Employment Survey of Manufacturing and Hospital Industries

For the eleventh consecutive year, members of the Department of Economic Security Research Administration staff will be contacting certain Arizona employers for the purpose of updating occupational data by industry.

The Occupational Employment Statistics (OES) program is a federal-state cooperative triennial program to determine current occupational employment and to estimate demand for occupational skills by industry.

In 1985, the Research Administration staff will collect data from the manufacturing and hospital industries.

The OES staff has, over the last three years, successfully surveyed nearly 16,000 firms with more than 800,000 employees. Employers are asked through personal interview or mailout questionaire to provide a count of their employees by occupation. The cooperation of Arizona's businesses and industries has contributed to survey response rates consistently over 85 percent--thus ensuring more reliable projections of our state's manpower needs.

When the surveying is completed, the information is tabulated and organized to furnish a clear representation of the occupational makeup of all Arizona industries. It is this information that is needed to develop an employment outlook for the years ahead--that is, what jobs are going to be in demand and what jobs are disappearing. Employment information developed by the OES

program has established itself as an integral part of Arizona's education and manpower planning efforts.

If you would like more information on the OES program, or would like to receive copies of the Occupational Profiles which summarize survey results, telephone 255-3876. Outside the Phoenix metropolitan area, but within Arizona, call 1-800-321-0381.

Donna Poggensee

New Developments

"New Developments" is featured each month as a service to employers and job seekers. It is a compilation of public announcements of the more significant new construction, grand openings, major hirings and layoffs, and other employer events that have special significance for Arizona labor markets. The announcements are paraphrased and otherwise edited from articles published in newspapers and other periodicals from throughout the state. "New Developments" are limited to space available, and no attempt is made to compile an exhaustive list of all such events that have occurred during the month.

EDUCATION - The eleventh annual Arizona Vocational Education Conference will be held at the Phoenix Civic Plaza from July 30 to August 2, 1986. The theme for this year's conference is "Leadership for Change," and the conference is funded by the Arizona Department of Education and supported by the Arizona Department of Economic Security. Sessions will be held in a number of occupational areas including employment and training. For additional information, contact the Northern Arizona University (NAU) Center for Vocational Education toll-free at 800-628-3863.

The Pima County Educational Group Effort, an adult education lab funded by the Arizona Department of Education and begun in November 1985, helps economically disadvantaged young people between the ages of 17 and 21, or others with barriers to employment (e.g., single parents, dropouts, youth offenders, or people with learning disabilities) work on their specific deficiencies outside of the traditional classroom setting. According to project director, Candace Ver Brugghen, the program was initiated for people who need to improve their reading, vocabulary, or math skills to prepare them for vocational or academic schooling, full-time employment, or the armed services. "If students have one weakness, let's say reading, we do not go into other areas. We work on their deficiencies." Ver Brugghen added that the pilot program has been successful, with only five students having dropped out of the 45 enrolled. She said, "All the students are here because they want to be, and they have a direction when they leave. They learn at their own pace, and they like that."

POPULATION - Arizona's population pattern somewhat resembles a revolving door, according to a recent study by the Arizona State University Bureau of Business and Economic Research. To the question--if you are a young, well-educated, white-collar professional, are you likely to be moving into Arizona or moving out?--the answer is yes. Yes, bright young professionals are being drawn to the state. And yes, many of the same types already here are finding reasons to leave. From 1975 through 1980, the most recent years for which there are complete migration figures, Tom Rex (bureau chief) says 598,000 people moved to Arizona but 353,000 left. Some people come to settle in and stay. But most of them--especially the younger set--are on the move enough to characterize Arizona's population as a largely transient group. "Older people who move here tend to stay, but a tremendous amount of (the) younger population leaves," Rex says.

CONSTRUCTION - The first phase of construction began in late April on the Granite Gate Resort on 25 acres near Prescott. It will be the first full-service resort and conference center in the area. The 133-suite project is located in the weather-smoothed rocks of the Granite Dells, three miles north of Prescott on Route 89. It will feature tennis courts, swimming and

lap pools, horseback riding, hiking trails, an exercise room, and retail shops. The 5,800 square feet of conference facilities includes a main ballroom with meeting space for 350 and banquet space for up to 275 people. The exterior will be detailed with stone and wood surfaces to blend with the rock formations of the area. The resort is slated for a July 1 opening.

Construction of Forest Highlands, a 653-acre planned residential community in Flagstaff, is scheduled to begin in July. Located six miles south of Flagstaff and east of U.S. Highway 89A, the estimated value of the project at build-out is expected to be more than $200 million. Comprised of 515 single-family lots and 140 "cluster units," Forest Highlands will have as its centerpiece an 18-hole golf course designed by the architects for Scottsdale's new Tournament Players Course and the course at Troon Village. A family-oriented, full-service clubhouse, swimming pool, and tennis facilities are planned, along with neighborhood parks, biking and jogging paths.

University Towers at Arizona State University, scheduled for completion in July, was topped off at the beginning of April by Kitchell Contractors. The project consists of two eight-story student residences and a four-story parking garage. The towers will house 700 students, offering access to private living areas, student activities with a full-time director of student affairs, food services, monthly planned events, and sporting areas. The first floor of the north tower will include retail outlets serving university students. University Towers is located west of Sun Devil Stadium at 525 South Forest.

The northeast corner of River and Craycroft roads will be the site of River Center, Tucson's newest retail center. The $12 million project is being developed by a wholly owned subsidiary of the Venture West Group Incorporated, whose other development activities include the Tucson City Center, a $150 million office and commercial complex in downtown Tucson. River Center will feature a gourmet Alpha Beta and Walgreens on the 15-acre site, along with a variety of specialty shops and services. Total area for retail space is 124,773 square feet.

Val Vista Lakes, a community being developed at Val Vista Drive and Baseline Road in Gilbert, will in three to five years be home to somewhere between 8,000 and 12,000 people. Five major home builders have gathered together--in the fashion of many large housing developments today--in order to fit a lot of different home buyers' pocketbooks. There will be casitas starting in the $50s, single-family homes from the $80s, luxury townhomes from the $140s, and custom-built homes. There will be 75 acres of lakes, which will be filled with excess water from spring runoffs. A centerpiece of the development is the not-quite-complete Beach & Racquet Club valued at more than $6 million. Also on the drawing board are four shopping centers, restaurants, doctors' and dentists' offices, banks, and fire stations.

Ground breaking ceremonies were held May 3 for a senior citizen's housing complex in Springerville being built within walking distance of the White Mountain Communities Hospital. Set for completion in early 1987, the complex will consist of 32 efficiency and one bedroom apartments and will include laundry and meeting rooms as well as four apartments for handicapped residents. Samaritan Health Service, which operates the hospital, also approved a plan to build a 45-bed skilled nursing facility on the hospital's campus.

Koll Construction Company has begun construction services for the $6.1 million equestrian facilities at Horseman's Park, located north of the Central Arizona Project Canal and east of Pima Road in Scottsdale. James Suft, vice president and head of Koll Construction, says his company will build the main 4,500-seat show area, in addition to six working arenas, 480 permanent stalls, 10 barns, two polo fields, four wash racks, and 32 public comfort stations at Horseman's Park--considered to be one of the largest private or public equestrian facilities in the West. The project is expected to be completed by September. Infrastructure site work on 200 acres at the park is currently underway.

Mountain Bell announced May 1 that it will consolidate operations of more than a dozen metropolitan offices into a 20-story office

complex to be built on the northeastern corner of Central Avenue and Thomas Road in Phoenix. Costs of the project were not made public. Donald Cline, vice president, said construction of the 541,000 square-foot complex could begin as early as June 1987 and that an estimated 2,000 employees would move in between September 1988 and December 1989. He said the company will retain its present general office tower at 3033 North Third Street, but will abandon 13 other offices--10 in Phoenix and one each in Tempe, Mesa, and Glendale. Those operations will move into the new building.

MANUFACTURING - Foster Grant Corporation announced at the end of April that it would open a manufacturing and distribution plant in Tucson that will employ about 200 people within a year of opening. The company expects the new plant to begin production and distribution by the first of July and to be fully operational within a year, according to William V. Stephenson, executive director of the Tucson Economic Development Corporation, which has been working with the sunglasses manufacturer since November 1983. The company will close its current plant in Leominister, Massachusetts, upon opening the new facility in Tucson. The facility will include a fully computerized and automated warehouse, electronic data processing and order entry, and a customer service department. Mr. Stephenson noted that because the company is not involved in high-technology manufacturing, it will broaden Tucson's manufacturing base, making it less susceptible to fluctuations in the high-tech industry.

Arizona-Tech Assemblies Incorporated, an electronics assembly firm, opened a Tucson plant on June 1 and will hire 125 local people--mostly electronic assemblers--within the first year. The new firm is to operate out of an existing 30,000 square-foot building at 3151 East Drexel Road. They purchased that facility and are doing extensive remodeling, according to Mr. Stephenson of the Tucson Economic Development Corporation. He added that International Business Machines (IBM) Corporation will be one of the firm's major customers.

Cleveland-based Parker Hannifin has purchased 13.9 acres, 10 miles west of Phoenix's Sky Harbor Airport on Interstate 10, to build a new manufacturing plant for the company's fuel products division. The plant will be a 50,000 square-foot machining operation for quality components for the handling and control of fuel in a variety of aircraft, according to William A. Ponn, division general manager. He added, "Upon opening, the plant will employ about 100 workers, with plans to expand to 150 by the end of the first year of operation." Parker Hannifin produces a line of fluid power systems and components for industrial, automotive, space, and marine markets.

TRANSFERS - IBM Corporation in Tucson offered most of its 5,600 employees the opportunity to transfer to IBM divisions elswhere, a company spokesman said at the end of April. The six-year-old Tucson plant develops and manufactures storage media for computers. The idea is to move employees from divisions where work is slower to more vibrant areas of IBM that need extra staff, according to Ron Ash, another IBM spokesman in Tucson. Most of the job openings are in marketing, service, and engineering at locations across the country. Greg Thompson, communications manager for IBM's General Products Division, said workers who transfer from Tucson will not be replaced. But, he added, that does not indicate the computer company is having financial problems. The Tucson plant has been rumored to be IBM's location for research and development on optical-disk technology. Ash said IBM-Tucson is looking at the new technology, but he declined to comment further.

LAYOFFS - Sola-Syntex Ophthalmics Incorporated, a Phoenix manufacturer of contact lenses, announced on May 12 plans to lay off 100 of its 850 employees in an effort to return the firm to profitability. President Dick Kapash said the layoff would involve nearly all levels of employees, including production workers, supervisors, middle managers, and some support personnel. The operation had moved into a new 150,000 square-foot facility at 1100 East Bell Road in 1984, but had been losing money for several months--since Fall 1985.

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